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**ISSUE PAPER ON OPM'S PROPOSED
CLASSIFICATION AND QUALIFICATION STANDARDS
FOR THE CONTRACT AND PROCUREMENT SERIES (GS 1102)**

PROBLEMS

1. The new standards that the Office of Personnel Management (OPM) plans to issue will not meet agency needs for high quality, competent procurement work force. This is contrary to the intent of Executive Order 12352 and will challenge the credibility of the President's Order.

Executive Order 12352 requires OPM, "in consultation with the heads of agencies," to "ensure that personnel policies and classification standards meet the needs of executive agencies for a professional procurement work force." The major procuring agencies have repeatedly informed OPM that the standards will not meet their needs.

2. The proposed standards will diminish the Government's ability to establish or maintain a fully competent procurement work force.

The proposed standards do not accurately describe the responsibilities or skill and knowledge requirements of procurement positions. Further, the standards do not accurately represent the complexity of the procurement function or its impact on agency missions. As a result, agencies will have difficulty attracting, recruiting, and retaining high quality personnel.

3. The standards will inflate the costs and impair the timely procurement of goods and services essential to agency mission needs.

The personnel affected by the standards are responsible for the judicious expenditure of \$135 billion (FY 81) annually. Their business decisions can mean the difference between fair and reasonably priced contracts which protect the Government's interests and contracts which encourage inflated prices, waste, unsatisfactory performance, and claims.

4. The standards will undermine the Administration's program for Federal procurement reform, as embodied in Executive Order 12352 and Reform 88.

Executive Order 12352 and Reform 88 require numerous reforms in Federal procurement with anticipated cost avoidance of approximately \$5 billion annually when fully implemented. These goals cannot be realized without competent procurement personnel.

BACKGROUND

- o During 1979 and 1980, an interagency team of procurement and personnel managers developed prototype standards. OPM was represented on the team and helped plan, develop, and edit the prototype.

- o In the spring of 1981, OPM terminated its working relationship with the interagency team and rewrote the prototype. The agencies were not consulted.

- o OPM issued a first draft in July, 1981, which the agencies rejected as unworkable. OPM issued a second draft in August, 1982, which the agencies again rejected, noting that none of the major problems had been resolved while new problems were introduced.

- o On November 9, 1982, the Director of OPM's Standards Development Center reported his plans to recommend that OPM issue the standards without significant modification, notwithstanding the critical changes requested by agencies, industry, and Congressmen in over 2,000 pages of comments. At the meeting of November 9, the 24 agencies present were unanimous in their judgment that the standards will not meet their needs.

- o The following are typical of comments submitted to OPM on the draft standards.

Mr. Carlucci (DOD): "Our personnel and acquisition representatives are in general agreement that the standards do not meet DOD's needs to ensure a professional procurement work force."

Mr. Kline (GSA): "We strongly recommend that you defer their issuance until a full and complete review and analysis can be accomplished."

Ms. Beebe (Treasury): The standards would "preclude fair and equitable evaluation of many procurement positions . . ."

Mr. Beggs (NASA): The standards "do not meet the objectives of sound position management and will adversely affect the quality of the procurement work force."

Mr. Sopper (HHS): "The proposed standards as written pose serious concerns to us particularly as we move to implement E.O. 12352 and improve the professionalism of our procurement work force."

Mr. Robinson (President, National Security Industrial Association): "We have reviewed the draft standards and are very concerned that the professionalism required in the procurement career field has not been sufficiently recognized."

Senators Roth, Danforth, Pryor, Cohen and Chiles: The standards fail "to acknowledge the caliber of individuals required to function in today's complex government contracting system."

- o In summary, the standards do not meet the agencies' needs. The agencies are asking OPM to revise the standards to accurately represent procurement functions and the related skill and knowledge requirements.

**OPTIONS FOR DEVELOPING REALISTIC STANDARDS AND COMPLYING WITH
SECTION 3 OF EXECUTIVE ORDER 12352**

1. Assemble an OPM/interagency team of procurement and personnel managers to rewrite standards satisfactory to agency heads, prior to OPM's approval and issuance.
2. Assemble an interagency team to develop a unified body of recommended changes satisfactory to agency heads, for incorporation by OPM in the standards.

RECOMMENDATION: OPTION 1--Assemble an OPM/interagency team of procurement and personnel managers to rewrite standards satisfactory to agency heads, prior to OPM's approval and issuance.

BENEFITS--THIS OPTION:

- o Would best ensure that the standards accurately reflect the procurement process, procurement functions, and the requirements of procurement positions.
- o Would include OPM in the special Government-wide, interagency effort to reform the Federal procurement system, as required by Executive Order 12352.
- o Is consistent with OPM's published guidance, which calls for the intimate involvement of occupation managers in standards development.
- o Is consistent with Title 5 of the United States Code, which empowers OPM to issue standards but does not prescribe a process for developing standards or preclude joint development by personnel and procurement managers.

GOAL--ESTABLISH STANDARDS THAT:

- o Assure the Government attracts and retains personnel who can competently serve as its business managers for procurement.
- o Validly and accurately represent procurement work and the requirements of procurement positions.
- o Assure fair and consistent grading by classifiers.
- o Require applicants for trainee positions to demonstrate their potential to learn procurement as a condition for selection.
- o Require employees to demonstrate their mastery of the procurement body of knowledge as one of the conditions for selection or promotion to critical procurement positions.
- o Assure a stable grade structure--statistics show no grade creep in GS 1102 series over last decade (Tab 1--see next page).

GRADE STRUCTURE OF CONTRACT/PROCUREMENT SERIES

Year	Average Grade GS-1102 Work Force	GS-13's		GS-14's		GS-15's	
		No.	%1102's	No.	%1102's	No.	%1102's
1969	10.66	2417	13.0	940	5.1	378	2.0
1970	10.77	2371	13.5	936	5.3	359	2.1
1971*							
1972	10.76	2311	14.1	923	5.7	326	2.0
1973	10.75	2201	13.8	917	5.8	323	2.0
1974	10.67	2194	13.4	917	5.6	340	2.1
1975	10.73	2250	13.3	937	5.5	357	2.1
1976	10.81	2213	13.0	944	5.6	350	2.1
1977	10.71	2306	13.0	990	5.6	369	2.1
1978	10.70	2313	12.5	1010	5.5	375	2.0
1979	10.71	2326	12.2	1031	5.4	375	2.0
1980	10.70	2471	12.4	1087	5.5	367	1.8

*Not Reported

Summary

- o Average Grade of GS-1102 work force: 10.66 in 1969; 10.70 in 1980
- o GS-13's (as % of total GS 1102 work force): 13.0% in 1969; 12.4% in 1980
- o GS-14's (as % of total GS 1102 work force): 5.1% in 1969; 5.5% in 1980
- o GS-15's (as % of total GS 1102 work force): 2.0% in 1969; 1.8% in 1980

Source: Occupations of Federal White Collar Workers (OPM).

TAB 1

PLAN

- o Select the OPM/interagency team.
- o Analyze agency comments.
- o Redraft the standards.
- o Submit redrafted standards to agency heads to determine that the standards satisfactorily reflect their requirements.
- o Report periodically to the Director, Office of Management and Budget, on progress.

NOT RECOMMENDED: OPTION 2. This option is also acceptable but does not provide for OPM participation in rewriting the standards.

PROBLEM I

The new standards that the Office of Personnel Management (OPM) plans to issue will not meet agency needs for high quality, competent procurement work force. This is contrary to the intent of Executive Order 12352 and will challenge the credibility of the President's Order. The major procuring agencies have repeatedly informed OPM that the standards will not meet their needs.

- A. AGENCY COMMENTS (Tab 2)
- B. INDUSTRY COMMENTS (Tab 3)
- C. COMMENTS BY MEMBERS OF CONGRESS (Tab 4)
- D. COMMENTS BY PROFESSIONAL ASSOCIATIONS AND COLLEGES (Tab 5)

PROBLEM II

The proposed standards will diminish the Government's ability to establish or maintain a fully competent procurement work force.

A. CLASSIFICATION AND QUALIFICATION STANDARDS ESTABLISH CRITERIA FOR DETERMINING GRADES AND SELECTING EMPLOYEES FOR FEDERAL POSITIONS

Tab 6: Purpose and description of classification and qualification standards

B. CLASSIFICATION STANDARD DEFICIENCIES

Tab 7: Inaccurate description of procurement process; inaccurate application of the standards to the process

Tab 8: Inconsistent with Primary standard

Tab 9: Applies criteria from Primary standard that are not realistic

Tab 10: Internally inconsistent

Tab 11: Inconsistent with standards for other occupations

Tab 12: Factor level description (FLD) 1-9 excluded; 1-9 criteria in FLD 1-8

Tab 13: Insufficient titles to identify specializations

Tab 14: Inconsistent and inequitable grading of procurement positions

B. QUALIFICATION STANDARD DEFICIENCIES

Tab 15: Clerical experience, rather than demonstrated potential, qualifies for trainee positions

Tab 16: Does not require employees to learn the professional body of knowledge as a condition for selection or promotion

Tab 17: Industry, on the other hand, seeks out the most competent professionals and believes government should do the same

PROBLEM III

The standards will inflate the costs and impair the timely procurement of goods and services essential to agency mission needs.

A. ONCE THE GOVERNMENT HAS DECIDED TO CONTRACT FOR THE PERFORMANCE OF CERTAIN WORK, PROCUREMENT PERSONNEL--AS AGENTS OF THE FEDERAL GOVERNMENT--ARE RESPONSIBLE AND ACCOUNTABLE FOR THE CONDUCT OF THAT WORK.

B. WORK FORCE QUALITY DIRECTLY AFFECTS:

- o Prices paid to contractors
- o Costs associated with system maintenance and operation
- o Cost resulting from claims, protests and litigation
- o Quality of the goods and services acquired
- o Cost of delays in obtaining needed goods and services
- o Cost of terminating contracts
- o Cost to detect and correct mistakes
- o Cost of waste, fraud and abuse
- o Number of procurement personnel required
- o Cost to industry of doing business with the Government
- o Volume and detail of the regulations required

C. EVERY DOLLAR SAVED BY REDUCING WORK FORCE QUALITY WILL BE LOST MANY TIMES OVER THROUGH LOWER QUALITY BUSINESS DECISIONS. THIS IS A CONCERN OF:

- o The Congress (Tab 18)
- o The Boards of Contract Appeals (Tab 19)
- o The agencies (Tab 20)

PROBLEM IV

The standards will undermine the Administration's programs for Federal procurement reform, as embodied in Executive Order 12352 and Reform 88.

Accomplishing the procurement reforms in Executive Order 12352 and the procurement goals of Reform 88 depends upon competent and professional people who can recognize problems and opportunities, exercise sound business judgment, and take initiative. As excessive regulations are decreased, professionalism and competency of the work force must increase.

A competent work force is the key to achieving the anticipated cost avoidance of \$5 billion from procurement reforms. Not only will the largest proportion of the procurement cost savings be attributable to a competent and professional work force, but none of the remaining features of the procurement system to accomplish the reforms of Executive Order 12352 can be fully achieved without such a work force. The Proposal for a Uniform Federal Procurement System, which the Administration submitted to the Congress in February 1982, listed the following principal features of the System and the percentage of savings that each of these features would contribute.

<u>SYSTEM OBJECTIVES</u>	<u>CONTRIBUTION TO COST SAVINGS</u>
Professional Work Force	22%
Simplification	20%
Commercialization	15%
Improved Competition	14%
System Standards	10%
Uniform Policy	10%
Integrated Management System	<u>9%</u>
TOTAL	100%

AGENCY COMMENTS

- The following agency representatives submitted comments calling for significant changes in the standards to meet agency needs for a high quality work force.

- o Mr. Frank Carlucci, DOD (4 letters)
- o Mr. Ray Kline, GSA (2 letters)
- o Ms. Cora P. Beebe, Treasury
- o Mr. Dale W. Sopper and Mr. Thomas S. McFee, HHS
- o Mr. Donald B. Rock, Federal Aviation Administration, Transportation
- o Ms. M. Moncada, Federal Highway Administration, Transportation
- o Mr. William S. Heffelfinger, Energy
- o Mr. Carl E. Grant and Mr. S. J. Evans, NASA
- o Mr. John P. Horton, EPA
- o Mr. Thomas J. O'Connor, HUD
- o Mr. William R. Reise, Labor
- o Mr. Thomas Ubois, NSF
- o Mr. J. R. Scully, Army
- o Mr. Everett Pyatt, Navy
- o Mr. J. Craig Cumbey and Mr. James E. Williams, Jr., AF
- o Vice Admiral E. A. Grinstead, DLA
- o General Robert T. Marsh, AF
- o Mr. Ira L. Kemp, Headquarters, AF
- o Mr. Frank Gearde, Jr., Agriculture
- o Mr. Allen W. Smith, Agriculture
- o Mr. Clyde C. Cook, VA (2 letters)
- o Mr. William C. Clohan, Jr., Education
- o Mr. Hilary Rauch, Energy
- o Mr. George E. Dausman, Army
- o Mr. William B. Ferguson, GSA
- o Ms. Charlotte Brooks Spann, Interior
- o Mr. J. H. Flaherty, Navy

The following are excerpts from agency comments.

- Excerpt from Mr. Frank Carlucci's letter of October 6, 1982.

"The net effect of the proposed standards is a downgrading of the stature of the procurement work force which is incompatible with the DOD Acquisition Initiatives, the proposed Federal Procurement System, Executive Order 12352, and congressional direction. If implemented, DOD's ability to carry out its acquisition mission in an effective, efficient, and professional manner will be seriously impacted. I can assure you that the acquisition process and the competence of the acquisition work force are issues that have my personal attention."

- Excerpt from Mr. Ray Kline's letter of September 30, 1982.

"Executive Order 12352 requires that OPM work with the executive agencies to ensure that classification and qualification standards meet their needs for a professional procurement work force. OPM does not appear to grasp the serious nature of this requirement. Recognizing that procurement professionals are the government's business managers, the President is determined to create an environment for proper maintenance and professional growth of the work force."

- Excerpt from Mr. William S. Heffelfinger's letter of October 5, 1982.

"The Department of Energy (DOE) has reviewed the proposed final occupational standards for the Contract and Procurement Series, GS-1102. The standards as currently drafted are unacceptable to this Department in several important areas."

- Excerpt from the letter by Mr. Carl E. Grant and Mr. S. J. Evans of September 30, 1982.

"We consider the proposed qualification standard for the GS-1102 series to be unacceptable in that it contains inaccuracies, many serious deficiencies, and poses numerous problems for all affected personnel. The standard does not meet the needs of the agency and would not offer a positive inducement to the development of a professional procurement work force. Our detailed comments and recommendations are in enclosure 2."

INDUSTRY COMMENTS

- The following firms and industry associations submitted comments which strongly support the goal of strengthening work force professionalism and revising the standards to meet that goal.

- o National Security Industrial Association
- o American Bar Association
- o Crowell and Moring
- o Witte and Leste, P.C.
- o Hughes Aircraft
- o United Technologies
- o Norris-NI Industries
- o Boeing
- o McDonnell Douglas
- o McDermott, Inc.
- o Hazeltine Corporation
- o Emerson (Electronics and Space Division)
- o American Defense Preparedness Association
- o ILC Data Device Corporation
- o Electronic Industries Association*
- o Newport News Shipbuilding*
- o ANADAC*
- o Allis-Chalmers*
- o GTE Service Corporation*
- o National Council of Technical Service Industries*
- o American Institute of Certified Public Accountants*

- Excerpts from the letter by Wallace Robinson, Jr., President, National Security Industrial Association.

"We have reviewed the draft standards and are very concerned that the professionalism required in the procurement career field has not been sufficiently recognized.

* * * *

"This would seriously reduce the ability of the government to attract and retain high caliber federal employees in the procurement career field. Additionally, it might result in industry personnel dealing with lower level, less knowledgeable and less experienced personnel on complex matters for which these government personnel are inadequately prepared.

* * * *

"We in industry seek out the most competent professionals to handle these responsibilities and we believe the government should do the same." (emphasis added)

*These letters were submitted on the Administration's Proposal for a Uniform Federal Procurement System.

COMMENTS BY MEMBERS OF CONGRESS

- Comments were submitted by:

- o Senator William V. Roth, Jr.
- o Senator John C. Danforth
- o Senator William S. Cohen
- o Senator Lawton Chiles
- o Senator David Pryor
- o Representative Jack Brooks
- o Representative Samuel S. Stratton
- o Representative Stan Parris
- o Representative Michael D. Barnes

- Excerpts from the joint letter to OPM of October 20, 1982 by Senators Roth, Cohen, Danforth, Chiles and Pryor.

"We have reviewed the final Classification and Qualification standards for the Contract and Procurement series, GS-1102, and have found that our previous concerns with the proposed standards have not been addressed.

* * * *

"A fundamental concern which we emphasized in our previous letters . . . is the failure of the proposed standards to acknowledge the caliber of individuals required to function in today's complex government contracting system. Procurement has developed into a specialized profession which demands a high level of knowledge, skill, and judgment. Rather than improve the job standard to coincide with the development of the profession, however, the final standards underestimate the level of knowledge and expertise required for quality procurement decisions."

COMMENTS BY PROFESSIONAL ASSOCIATIONS AND COLLEGES

- The following professional associations and colleges submitted comments which strongly support the goal of strengthening work force professionalism and the development of standards which meet that goal.

- o National Conference of Boards of Contract Appeals Members
- o National Institute of Governmental Purchasing
- o National Contract Management Association (letters from individual members of the Board of Governors)
- o National Association of Educational Buyers
- o American Assembly of Collegiate Schools of Business
- o George Washington University, School of Government and Business Administration (Washington, D.C.)
- o Arizona State, College of Public Programs (Tempe, Arizona)
- o Ohio State University, School of Public Administration (Columbus, Ohio)
- o Austin Community College (Austin, Texas)
- o St. Joseph University, College of Business Administration (Philadelphia, Pennsylvania)
- o Weber State College (Ogden, Utah)

- Excerpts from Resolution E on OPM Classification and Qualification Standards, adopted by the National Institute of Governmental Purchasing at its 1981 National Convention.

"Therefore be it resolved that the National Institute of Governmental Purchasing fully supports the efforts of the U.S. Office of Federal Procurement Policy to revise the proposed standards in light of current and enlightened procurement practices."

- Excerpt from the letter of November 10, 1981 by Hubbert L. O'Brien, National President, National Contract Management Association

The standards "do not appear to appreciate the need for professional stature for people responsible for contracting activities in the Federal Government. . . . such a view is not consistent with the findings of the Commission on Government Procurement and others such as the General Accounting Office. It is also counter to our perception of the needs of the public contracting process. . . ."

PURPOSE AND DESCRIPTION OF CLASSIFICATION AND QUALIFICATION STANDARDS**A. THE FACTOR EVALUATION SYSTEM OF CLASSIFICATION**

Since 1975, standards have been prepared under a factor-point approach called the Factor Evaluation System (FES), a quantitative job evaluation method. Positions are evaluated in terms of nine factors under this system.

<u>FACTOR</u>	<u>POINTS</u>
1. Knowledge required by the position	50-1850
2. Supervisory controls	25-650
3. Guidelines	25-650
4. Complexity	25-450
5. Scope and effect	25-450
6. Personal contacts	10-110
7. Purpose of contacts	20-220
8. Physical demands	5-50
9. Work environment	5-50
TOTAL	190-4480

Every factor is divided into as many as nine levels, and every level has a unique point value. For instance, Factor 1--Knowledge Required by the Position--has nine levels. Level 1-1 is worth just 50 points; level 1-9 is worth 1,850. Factor Level 6, by comparison, has four levels. Level 6-1 is worth 10 points. Level 6-4 is worth 110. When classifying a position, the classifier determines the appropriate level within each of the nine factors and records the point value for that level. Points from the nine factors are totalled; the total points are equated to a grade by means of a conversion table.

<u>GS GRADE</u>	<u>RANGE</u>
5	855-1100
7	1355-1600
9	1855-2100
11	2355-2750
12	2755-3150
13	3155-3600
14	3605-4050
15	4055-4480

B. THE PRIMARY STANDARD

The Primary Standard defines every level of the nine factors in terms broad enough to apply to all General Schedule (GS) occupations. It also assigns the point value for each level. (Note: classifiers are not permitted to split the difference between two levels. A position either requires level 1-8 or level 1-9 knowledge--there is no level 1-8½). The Primary Standard is often referred to as the "standard for standards," since the factor level descriptions in all standards derive, in theory, from the factor level definitions in the Primary Standard.

C. THE PROPOSED FINAL GS 1102 CLASSIFICATION STANDARD

Classifiers will use two different sections of the standard in grading individual positions: Factor Level Descriptions (FLDs) and Benchmarks.

- 1. Factor level descriptions expand the Primary Standard's definitions for each level in terms of procurement functions.**
- 2. Benchmarks are sample position descriptions for typical positions, which are used by classifiers in determining the grade levels for a specific position.**

D. GRADING INDIVIDUAL POSITIONS

Since Benchmarks are intended to represent typical positions, classifiers often prefer to use them as the primary basis for grading positions. In other situations, classifiers prefer to use the factor level descriptions in grading positions and make no reference to benchmarks. The same grade should result from using benchmarks or factor level descriptions, alone or in any combination.

E. QUALIFICATION STANDARD

This standard contains criteria for the recruitment of positions within a specific occupational specialty. These qualifications would include a description of the work performed, skill, knowledge, and education requirements, general and specialized experience requirements, personal characteristics required, and a rating or evaluation guide. This information enables the hiring office to determine position requirements and recruit those personnel best suited for the position. Its purpose is to ensure that personnel hired for trainee positions have the potential to learn the occupation's work and that those individuals selected for higher grade levels have the skill and knowledge required for competent performance.

TAB 6 (CONT.)

INACCURATE DESCRIPTION OF PROCUREMENT PROCESS;
INACCURATE APPLICATION OF STANDARDS TO THE PROCESS

The treatment of "Two Step Formal Advertising" exemplifies the many instances in which the standards do not clearly describe important procurement concepts.

According to the "Principles of Government Contract Law" (a recognized textbook)

"Two step formal advertising is a hybrid mix of formal advertising and negotiation. The purpose of it is to make more use of formal advertising in technical contracts where existing specifications are so indefinite that negotiation between prospective contractors and the government is required."

According to the proposed GS-1102 classification standard (from a description of a GS-7 trainee position)

"The specialist procures supplies or services primarily through formal advertising or two step formal advertising, or through limited use of negotiation techniques. Negotiated transactions are usually developmental assignments designed to increase the employee's skill and knowledge. Requirements involve standard specifications and established markets."

PROBLEM: Two step formal advertising is far more complex than the work normally performed at the GS-7 level. At present, this is normally GS-11 and higher work. The reference to standard specifications and established markets is incompatible with two step advertising and reflects a basic lack of understanding of this important procurement concept. As a result, this language is likely to mislead classifiers into underrating the skill and knowledge levels required for two step advertising and the grade levels at which two step advertising is properly performed.

TAB 7

INCONSISTENT WITH THE PRIMARY STANDARD

The following is one of the many inconsistencies between the proposed GS-1102 standards and the Primary Standard. In theory, all classification standards are supposed to conform to the Primary Standard, a generic standard applying to all occupations.

The Primary Standard, Level 5-6 of Factor 5 (Scope and Effect), states that:

"The work involves planning, developing and carrying out vital administrative or scientific programs.

"The programs are essential to the missions of the agency or affect large numbers of people on a long-term or continuing basis."

However, the proposed GS-1102 standard Benchmark 14-01 was only rated level 5-5, even though its Scope and Effect parallel the Primary Standard 5-6:

"Work performed, decisions made, and solutions devised have major impact on the agency mission. Some decisions, such as contract award or termination, impact on substantial portions of the nation's commercial sector. Consequently, the work affects the economic livelihood of specific sections of the country, as well as large numbers of people."

The proposed GS-1102 Benchmark 14-01 also states that this employee:

"Serves as a contracting officer for a major system or program characterized by: (1) very large funding levels and the commitment period over a long period of time (five years or more); (2) the magnitude and terms of the contract substantially impact on the well being of the corporation or subsidiary; and (3) the agency head monitors progress due to criticality and visibility of the program . . . The employee is delegated unlimited authority to plan and carry out the contractual activities required"

PROBLEM: The Factor Level 5-5 described in Benchmark 14-01 clearly meets the requirements of Factor Level 5-6 in the Primary Standard. The grade of the Benchmark was inequitably lowered one level as a result of this misapplication of the Primary Standard.

**APPLIES CRITERIA FROM THE PRIMARY STANDARD THAT ARE NOT
REALISTIC**

The following is one of the criteria in the Primary Standard that are not realistic.

In describing the highest level contacts between Government and industry, the Primary Standard, Factor Level 6-4, states that:

"The personal contacts are with high ranking officials from outside the employing agency at national or international levels in highly unstructured settings (e.g., contacts are characterized by problems such as: . . . each party may be very unclear as to the role and authority of the other....")

In the proposed GS-1102 standard, this criterion is faithfully replicated. For instance, the GS-1102 standard Factor Level Description 6-4 states in part that:

"Personal contacts include high-ranking officials from outside the employing agency in highly unstructured settings where the purpose of the contacts is generally defined only in the broadest conceptual terms and where the role and authority of the parties may be unclear initially."

PROBLEM: In fact, the most important, highest level contacts between Government and Industry take place in meetings that:

- (a) Have definite purposes, agenda and structure.
- (b) Involve people who carefully investigate each other's roles, responsibilities or issues in advance.

Because the Primary Standard misrepresents the characteristics of the highest level contacts between Government and industry, it is unlikely that any contract negotiator will have contacts at the 6-4 level. Thus, even though the negotiators are dealing with high level corporate officials on extremely complex issues, these contacts will not be considered by classifiers to be high level contacts.

TAB 9

INTERNALLY INCONSISTENT

Another problem with the proposed GS-1102 standard is that its Factor Level Descriptions in some instances do not agree with its Benchmarks in describing the same grade determining criterion.

For example, Factor Level Description 7-4 of Factor 7 (Purpose of contacts) states:

"Contacts are to justify, defend, negotiate, or settle matters involving significant or controversial issues. Negotiations at this level involve major procurements of considerable consequence and importance. The employee is responsible for justifying and defending the agency position when the issues are strongly contested because of their impact or breadth. Contract administration or termination settlements at this level involve the resolution of very difficult or complicated issues, such as settlement of contracts which have significant adverse impact on the contractor's financial posture or allocation of controversial corporate overhead expenses."

Compare this with the wording of Benchmark 13-02:

"Contacts are for the purpose of monitoring, evaluating, and resolving major matters of contractor performance, management, and progress. To obtain a fair and reasonable solution, the employee must justify and negotiate, often under adversary conditions, major issues.

* * * *

"The employee has contracting officer authority for contract administration functions in a major contractor or Government facility. Contracts typically extend over several years and cover research, development, testing, and production of complex equipment systems or other complex programs, services or construction.

* * * *

"Assignments include delegated authority for planning, coordinating, and administering long-term contracts for major systems or programs on which significant accountability and management control are required.

* * * *

"(The employee requires) knowledge of cost and pricing techniques to negotiate and approve a variety of pricing and special agreements, including final overhead rate agreements which have a major financial impact on a large number of contractual actions. (The employee also) issues unilateral determinations which, if appealed by the contractor, must be fully supported, justified and defended before appeals boards or courts of law."

PROBLEM: Benchmark 13-02 reads like Factor Level Description 7-4 but is only rated level 7-3. The proposed standard will result in variations in the grade levels of positions depending on what part of the standard the classifier applies. This conflicts with the principle behind the Factor Evaluation System.

TAB 10

INCONSISTENT WITH STANDARDS FOR OTHER OCCUPATIONS

One of the purposes of the Primary Standard is to insure that comparable work is graded at the same level regardless of occupation. For that reason, it is essential that the standards interpret the Primary Standard consistently. The following is one of the many inconsistencies between the proposed GS-1102 standard and other standards in their interpretation of the Primary Standard.

Factor Level Description 1-9 from the Forestry (GS 460) Standard states that one example of 1-9 level knowledge is:

"Knowledge of forestry sufficient to formulate policy and to provide leadership and direction of a dynamic timber management program covering one or more states and embracing a wide variety of administrative and technological problems."

There is no Factor Level Description 1-9 in the proposed GS-1102 standard. Instead, the GS-1102 Factor Level Description FLD 1-8 includes the following words:

"Knowledge and skill sufficient to procure major systems or subsystems, e.g., . . . the development and production of an attack aircraft with new and enhanced weapon modes (e.g., air-to-air missiles or air-to-ground missiles), where little or no contractual precedent exists to serve as guidance in developing or modifying procurement strategies or pricing structures."

PROBLEM: While managing forestry programs probably requires significant knowledge, we do not believe it requires more sophisticated knowledge than that required in procuring major weapons systems. However, the wording of the GS-1102 1-8 means that the knowledge required for major systems procurement will never be rated higher than 1-8, even though the knowledge required for managing timber programs is being rated 1-9. This is another illustration of the lack of understanding of the procurement process that pervades the proposed GS-1102 standards.

**FACTOR LEVEL DESCRIPTION 1-9 EXCLUDED;
1-9 CRITERIA WRITTEN INTO GS 1102 FACTOR LEVEL DESCRIPTION 1-8**

- Excerpt from the letter of September 22, 1982 by J. Craig Cumbey, Deputy Assistant Secretary of the Air Force for Civilian Personnel Policy, and James E. Williams, Jr., Deputy Assistant Secretary of the Air Force for Acquisition Management,

"The lack of a Factor Level Description (FLD) 1-9 creates a fatal flaw. It is recognized at both OPM and within the functional community that positions exist which will require the use of FLD 1-9 to classify. Although the number of such positions may be small in comparison to the overall size of the career field, they are still significant and are due appropriate recognition. Further, we consider FLD 1-8 as written to be subject to possible misinterpretation to cover legitimate 1-9 situations."

The Primary Standard, Factor Level 1-8, requires:

"Mastery of a professional or administrative field to apply experimental theories and new developments to problems not susceptible to treatment by accepted methods."

The Primary Standard, Factor Level 1-9, requires:

"Mastery of a professional field to generate new hypotheses or theories; or equivalent skills and knowledge"

The proposed GS-1102 standard, Factor Level Description 1-8, requires:

"Mastery of a functional area sufficient to extend contracting techniques and develop innovative approaches for use by other contracting personnel in solving a variety of procurement problems . . . Knowledge and skill sufficient to procure major systems or subsystems . . . where little or no contractual precedent exists to serve as guidance in developing or modifying procurement strategies or pricing structures . . . Skill in developing new approaches or contract provisions to solve unprecedented problems." (emphasis added)

PROBLEM: The standard strongly implies that highest level knowledge required for the most critical procurement position only rates a 1-8 while the highest level knowledge required for comparable work in other occupations rates 1-9.

INSUFFICIENT TITLES TO IDENTIFY SPECIALIZATIONS

- PROBLEMS: 1. The standard will instruct classifiers to title all positions "Contract Specialist," with three, optional, parenthetical modifiers (Price Analysis, Negotiation, or Administration) allowed. The standard will eliminate the Procurement Analyst (staff), Procurement Officer, Procurement Agent, and Termination Specialist titles. The agencies object to the use of only one title, even with the parenthetical modifiers. Applying the modifiers will be left to the option of the classifiers and may be inconsistently applied.
2. Inconsistent application of the various job titles (specialties) would significantly complicate the already complex tasks associated with recruitment, career management, and specialist training. The skills required at the advanced levels in each specialization are diverse and specialized. For this reason, it would be inappropriate to combine the specializations under the single, general title "Contract Specialist," even with three optional modifiers.

INCONSISTENT AND INEQUITABLE GRADING OF PROCUREMENT POSITIONS

- Excerpts from the letter of December 16, 1981 by James M. Beggs to Dr. Devine.

"Your memorandum of October 1, 1981, emphasized the importance of position classification accuracy and position management effectiveness. You stressed line management accountability for position management and indicated that a primary purpose of this effort is to ensure that employees who do substantially equal work have the same grade and pay. I fully support that objective.

"Proper position classification, in turn, is highly dependent upon the use of clear, thorough, objective standards.

* * * *

". . . in our judgment, (the proposed standards) fall fatally short of fulfilling these purposes. Broadly viewed they appear to preclude procurement agencies from tapping significant pools of available college talent, present a number of troublesome inconsistencies and reflect an extremely over-simplified understanding of procurement operations of the Federal Government.

"Based on our view, we believe both the tentative qualification and classification standards for the GS-1102 series do not meet the objectives of sound position management and will adversely affect the quality of the procurement work force. Thus it appears to us that a major revision of these standards is essential."

TAB 14

**CLERICAL EXPERIENCE, RATHER THAN DEMONSTRATED POTENTIAL,
QUALIFIES FOR TRAINEE POSITIONS**

- Excerpt from the letter of September 22, 1982 by J. Craig Cumbey, Deputy Assistant Secretary of the Air Force for Civilian Personnel Policy, and James E. Williams, Jr., Deputy Assistant Secretary for Acquisition Management:

"The qualifications standard has virtually opened the door to all employees in the federal service with one year's experience as a GS-4 with substantive clerical or other experience. Although the proposed standard has better defined "substantive" experience, the definition is not adequate to equate the experiences that qualify with the requirements of earning an undergraduate degree. Again, this is not at all in consonance with our requirements".

**DOES NOT REQUIRE EMPLOYEES TO LEARN THE PROFESSIONAL BODY OF
KNOWLEDGE AS A CONDITION FOR SELECTION OR PROMOTION**

**- Excerpt from the letter of October 5, 1982 by Mr. William S. Heffelfinger,
Department of Energy:**

"We urge the adoption of a qualification requirement for the GS-11 level which would entail the completion of a specific number of college level procurement courses.

"This will give us the needed flexibility in recruitment while ensuring that only properly trained individuals can advance to responsible positions in the procurement profession."

INDUSTRY SEEKS OUT COMPETENT PROFESSIONALS

From the statement of Walter O'Neil, Procurement Committee, National Security Industrial Association before the Senate Subcommittee on Federal Expenditures, Research and Rules (February 2, 1982).

"The Procurement Commission recognized that contracting personnel were required to be knowledgeable in several disciplines in order to effectively perform their duties and to satisfy the requirements of assigned responsibility. Contracting officers must at least be conversant in cost and pricing analysis, economic benefit analysis, financial management, the law and its ramifications, technical considerations and ultimately as the team leader for the contracting process. The contracting officer is the person who signs the contract and is responsible for the consummation of all aspects of the contract. It is our observation that the programs which enjoy the greatest success have a contracting officer who is the most highly qualified.

"We consider our procurement personnel in industry to be nothing less than professional. We require the necessary skills, education and abilities at the entry level and promote and transfer on demonstrated ability. We urge the government to recognize the required expertise levels and to act in a similar fashion."

IMPACT OF WORK FORCE QUALITY
ON PROCUREMENT COSTS

- Excerpt from the letter by Senators Chiles and Danforth of November 9, 1981.

"We are firmly convinced that the ability of the procurement system to function properly is dependent on the training and skill of the people who buy goods on behalf of the government. Indeed, as we come to depend less and less on regulations and government specifications to govern procurement decisions, it becomes increasingly important that we be able to depend on the professionalism and expertise of the government's procurement personnel. Wise procurement decisions can save millions--even hundreds of millions of dollars. Poor decisions can cost just as much. A commitment to upgrade the training of procurement personnel is, in fact, the linchpin of the draft proposal for a new procurement system recently submitted to the Congress by the Office of Federal Procurement Policy." (emphasis added).

IMPACT OF WORK FORCE QUALITY
ON PROCUREMENT COSTS

- Excerpts from the letter by Charles T. Duvall, President, National Conference of Boards of Contract Appeals Members; Administrative Judge, Armed Services Board of Contract Appeals.

"...the level of errors and omissions in contract documents, and judgmental errors during contract administration, which often result in costly contractor claims, are directly related to the degree of professionalism and expertise of procurement personnel.

"Over 2,000 claims are currently pending before federal contract appeal boards. A substantial number of these cases end in upward adjustments in contract prices, either by settlement or board decision. In 1980, 40% of board decisions sustained, in whole or part, contractor appeals; some upward price adjustments reached six figures.

"We conclude that it is in the best financial interests of the government and the taxpayers it serves to set higher rather than lower standards for recruitment, training and qualifications of procurement personnel, and urge you not to adopt these lowered standards." (emphasis added)

IMPACT OF WORK FORCE QUALITY
ON PROCUREMENT COSTS

- Excerpt from the letter to OPM by Everett Pyatt, Principal Deputy Assistant Secretary of the Navy (Shipbuilding and Logistics) of September 24, 1982.

"Finally, we are most concerned that the standards do not recognize that contracting personnel are responsible for the business arrangements that obligate the billions of dollars spent annually by the Department of the Navy. We are anxious to assist you in ensuring that the subject standards accurately reflect the knowledge and skills required to properly perform the contracting function."